

**REDACTED – FOR PUBLIC INSPECTION**

**Before The  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
	)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	)	WC Docket No. 07-135
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Developing an Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link-Up	)	WC Docket No. 03-109
	)	
Universal Service Reform – Mobility Fund	)	WT Docket No. 10-208

**COMMENTS OF WINDSTREAM COMMUNICATIONS, INC.  
ON PETITION FOR LIMITED WAIVER OF VERIZON**

Windstream Communications, Inc., on behalf of itself and its affiliates (collectively “Windstream”), submits the following comments in response to Verizon’s petition for waivers of the new call signaling rules adopted in the above-captioned proceedings (hereinafter the “Petition”).<sup>1</sup> As Windstream understands the Petition, Verizon is seeking (1) a general waiver of the call signaling rules until Verizon is able to complete its compliance assessment, develop remediation plans and seek further additional waivers as appropriate, and (2) specific waivers

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<sup>1</sup> Petition for Limited Waiver of Verizon, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92, 96-45, WT Docket No. 10-208 (February 10, 2012) (Petition).

with respect to certain SS7 network elements, multi-frequency (MF) signaling equipment, and originating/intermediate carrier IP traffic exchanges.

**I. THE COMMISSION SHOULD REJECT VERIZON’S REQUEST FOR A GENERAL WAIVER OF THE CALL SIGNALING RULES.**

As an initial matter, Windstream opposes Verizon’s request for a general waiver of the call signaling rules. In its earlier petition for reconsideration in these proceedings,<sup>2</sup> Verizon sought broad technical feasibility and industry standards exceptions that would essentially swallow the call signaling rules. While that petition remains pending, Verizon correctly is availing itself of the waiver process—the proper avenue for obtaining relief<sup>3</sup>—but again is seeking a broad waiver that would enable it indefinitely to avoid complying with the call signaling rules. Verizon has not proposed an end date after which it would not need such a waiver, nor has it provided any reasons why it, unlike its industry peers, cannot generally comply with the call signaling rules as adopted. Without access to such information, it is impossible to assess whether Verizon has established good cause for a waiver, or whether Verizon merely is trying yet again to evade rules it has characterized as irreparably “faulty” and “irrational.”<sup>4</sup> Therefore, the Commission should deny Verizon’s request for a general waiver of the call signaling rules.

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<sup>2</sup> See Petition for Clarification or, In the Alternative, for Reconsideration of Verizon, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92, 96-45, WT Docket No. 10-208 (December 29, 2011) (Verizon Petition for Reconsideration) (noting that current waiver procedures are “insufficient to save the faulty rules” and “the Commission ‘cannot save an irrational rule by tacking on a waiver procedure’”) (internal citation omitted).

<sup>3</sup> See *Comprehensive Reform Order* at ¶ 723.

<sup>4</sup> See Verizon Petition for Reconsideration at 12 (noting that current waiver procedures are “insufficient to save the faulty rules” and “the Commission ‘cannot save an irrational rule by tacking on a waiver procedure’”) (internal citation omitted).

**II. THE COMMISSION SHOULD REJECT VERIZON’S REQUEST FOR SWEEPING RELIEF IN THE CONTEXT OF VOIP TRAFFIC.**

In the context of its specific waiver requests, Verizon also appears to be seeking sweeping relief, particularly in the context of VoIP traffic that connects with the PSTN. Specifically, Verizon seeks a waiver of the rules where it operates as a VoIP originator or intermediate IP carrier in a variety of circumstances where Verizon does not currently send or pass IP signaling information.<sup>5</sup> This request also should be denied.

Such a waiver could serve as the basis for widespread noncompliance with the Commission’s call signaling rules. Because Verizon asserts that a large percentage of its intrastate toll traffic—as much as [REDACTED] in one state— is originated or terminated in IP format,<sup>6</sup> not to mention the additional traffic it claims is interstate toll VoIP traffic, granting this waiver request could potentially relieve Verizon of any obligation to adhere to the call signaling rules for a significant portion of its traffic. In addition, though there does not appear to be any basis for concluding that Verizon is seeking this waiver to undermine the call signaling rules, such a waiver would create massive opportunities for originating and intermediate providers to manipulate the system and prevent terminating providers from receiving accurate and meaningful billing information. For example, if Verizon is not required to pass on signaling information that “is improperly formatted or contains unverifiable CPN or CN,” a provider ahead of Verizon in the call stream might be incented to intentionally misformat or provide unverifiable information because its misconduct effectively would be shielded by the waiver granted to Verizon. Similarly, if Verizon is not required to pass on signaling information because the next

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<sup>5</sup> See Petition at 10.

<sup>6</sup> Verizon has submitted to Windstream “VOIP %” factors for each state, which Verizon described as “the percentage of intrastate access minutes of use” that “originates or terminates in Internet protocol (“IP”) format.” See Confidential Exhibit. The validity of these factors has not been established, because Verizon has not provided any supporting data to Windstream.

carrier in the call flow cannot process the information, that next carrier has no incentive to modify its network to come into compliance with the call signaling rules.<sup>7</sup>

The new call signaling rules likely require many carriers—which have included Windstream—to modify their networks to comply fully. For some reason, Verizon appears to be uniquely unwilling to make such modifications and encourage compliance among those with whom it exchanges traffic. That intransigence does not justify a broad waiver that would undermine the efficacy of the new rules. In the *Comprehensive Reform Order*, the Commission established strong, clear rules to ensure that terminating carriers receive sufficient information to bill for telecommunications traffic sent to their networks—including VoIP traffic—and to close opportunities for arbitrage and other mischief that are being used to manipulate the intercarrier compensation system.<sup>8</sup> The Commission provided a path for carriers to receive targeted waivers of the new call signaling rules upon showings of good cause, but the agency also, by explicitly applying the new call signaling rules to interconnected VoIP traffic and by expressly rejecting general technical feasibility or industry standards exceptions, took clear action to prevent loopholes that would essentially swallow the new rules.

### **III. VERIZON IS ENTITLED TO THE SAME, LIMITED RELIEF PREVIOUSLY SOUGHT BY OTHER CARRIERS.**

With regard to Verizon’s more targeted waiver requests, it appears that Verizon in part seeks the same relief that has previously been sought by AT&T and CenturyLink. Windstream

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<sup>7</sup> Verizon also seeks a limited waiver for the “few situations” where there is a “privacy restriction” on the passage of signaling information. Petition at 9-10. To the extent that signaling information should not be passed for public safety reasons, Windstream potentially would support a limited waiver of the requirement to pass CN or CPN unaltered, provided that the originating carrier establishes an alternative method by which terminating carriers can receive accurate billing information. Verizon has not yet demonstrated such an alternative method, so Windstream cannot at this time support such a waiver.

<sup>8</sup> *Comprehensive Reform Order* at ¶ 702.

did not oppose a limited waiver for AT&T of the obligation, set forth in new 47 C.F.R.

§ 64.1601(a)(1), to transmit the Charge Number (“CN”) in either SS7 or multi-frequency (“MF”) signaling in those instances where AT&T is acting as the originating provider of dedicated interexchange service.<sup>9</sup> Windstream also did not oppose CenturyLink’s similar request.<sup>10</sup>

Likewise, Windstream does not oppose Verizon’s waiver request to the extent it seeks that same relief: a waiver of the obligation set forth in new 47 C.F.R. § 64.1601(a)(1) to transmit the CN in either SS7 or MF signaling in those instances where Verizon is acting as the originating provider of dedicated interexchange service. As Windstream has previously noted, the Commission should clarify that such a waiver does not extend to other obligations set forth in section 64.1601(a)—such as the obligation to pass the calling party number (“CPN”)—or to situations where Verizon is acting as an Intermediate Provider as defined in new section 64.1600(f).

#### **IV. CONCLUSION**

Consistent with the rational approach adopted in the *Comprehensive Reform Order*, the Commission may wish to grant Verizon, as AT&T and CenturyLink have requested, a limited, targeted waiver of the obligation set forth in new 47 C.F.R. § 64.1601(a)(1) to transmit the CN in either SS7 or MF signaling in those instances where Verizon is acting as the originating provider of dedicated interexchange service. However, to continue to protect the integrity of the new call signaling rules, the Commission should decline to grant Verizon the broader waivers it is seeking.

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<sup>9</sup> See Comments of Windstream Communications, Inc., on AT&T Petition for Limited Waiver, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92, 96-45, WT Docket No. 10-208, at 2 (February 9, 2012).

<sup>10</sup> See Comments of United States Telecom Association, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92, 96-45, WT Docket No. 10-208 (February 9, 2012).

**REDACTED – FOR PUBLIC INSPECTION**

Respectfully submitted,

/s/ Malena F. Barzilai

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Dated: March 19, 2012

*Its Attorneys*

CONFIDENTIAL

EXHIBIT

[REDACTED]

**Subject:**

FW: 1Q2012 VOIP PERCENT OF USE FACTORS

**From:** [REDACTED] [mailto:[REDACTED]@verizon.com]

**Sent:** Tuesday, March 06, 2012 3:49 PM

**To:** [REDACTED]

**Subject:** 1Q2012 VOIP PERCENT OF USE FACTORS



February 29, 2012

WINDSTREAM

Re: Verizon's VoIP usage factors

Dear Sirs:

Your intrastate tariffs, revised to reflect implementation of the FCC's VoIP-PSTN intercarrier compensation regime established in its November 2011 Order<sup>[1]</sup> ask each switched access customer to submit a percent-VoIP-usage ("PVU") factor representing the percentage of intrastate access minutes of use exchanged with your company that the customer originates or terminates in Internet protocol ("IP") format.

Verizon's PVU factors for the states in which Verizon exchanges traffic with other carriers are set forth in Exhibit A to this letter. These factors apply across originating and terminating usage.

Verizon's factors are to be used, along with your own PVU factor, to develop for each jurisdiction an overall PVU factor to be applied to all intrastate access minutes of use Verizon exchanges with you, in order to determine the quantity of traffic that is VoIP-PSTN traffic and therefore subject to the FCC's interim compensation rules for such traffic, effective as of January 1, 2012.

Please contact [REDACTED] at [REDACTED] if you have any questions, and pass this notice onto others in your company who need to process Verizon's PVU factor for correct call rating.

Sincerely,

[REDACTED]

Manager – Verizon

<sup>[1]</sup> See *In re: Connect America Fund, etc.*, Report & Order and Further Notice of Proposed Rulemaking, FCC 11-161 (Nov. 18, 2011) ("FCC Order"). Although some carriers may not yet have revised their intrastate tariffs (or price lists), all carriers must implement the FCC's VoIP-PSTN intercarrier compensation regime. Therefore, a carrier must consider Verizon's PVU factor, along with the carrier's own VoIP usage, in order to identify and correctly rate VoIP-PSTN traffic exchanged with Verizon.



EXHIBIT A

WINDSTREAM

State	VOIP %
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AL	
AR	
FL	
GA	
IA	
IN	
KS	
KY	
LA	
MN	
MO	
MS	
NC	
NE	
NM	
NY	
OH	
OK	
PA	
SC	
TN	
TX	
WI	

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<sup>[1]</sup> See *In re: Connect America Fund, etc.*, Report & Order and Further Notice of Proposed Rulemaking, FCC 11-161 (Nov. 18, 2011) (“FCC Order”). Although some carriers may not yet have revised their intrastate tariffs (or price lists), all carriers must implement the FCC’s VoIP-PSTN intercarrier compensation regime. Therefore, a carrier must consider Verizon’s PVU factor, along with the carrier’s own VoIP usage, in order to identify and correctly rate VoIP-PSTN traffic exchanged with Verizon.



February 29, 2012

[REDACTED]  
PaeTec  
[REDACTED]

Re: Verizon's VoIP usage factors

Dear Sirs:

Your intrastate tariffs, revised to reflect implementation of the FCC's VoIP-PSTN intercarrier compensation regime established in its November 2011 Order<sup>1</sup> ask each switched access customer to submit a percent-VoIP-usage ("PVU") factor representing the percentage of intrastate access minutes of use exchanged with your company that the customer originates or terminates in Internet protocol ("IP") format.

Verizon's PVU factors for the states in which Verizon exchanges traffic with other carriers are set forth in Exhibit A to this letter. These factors apply across originating and terminating usage.

Verizon's factors are to be used, along with your own PVU factor, to develop for each jurisdiction an overall PVU factor to be applied to all intrastate access minutes of use Verizon exchanges with you, in order to determine the quantity of traffic that is VoIP-PSTN traffic and therefore subject to the FCC's interim compensation rules for such traffic, effective as of January 1, 2012.

Please contact [REDACTED] at [REDACTED] if you have any questions, and pass this notice onto others in your company who need to process Verizon's PVU factor for correct call rating.

Sincerely,

[REDACTED]  
Manager - Verizon

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<sup>1</sup> See *In re: Connect America Fund, etc.*, Report & Order and Further Notice of Proposed Rulemaking, FCC 11-161 (Nov. 18, 2011) ("FCC Order"). Although some carriers may not yet have revised their intrastate tariffs (or price lists), all carriers must implement the FCC's VoIP-PSTN intercarrier compensation regime. Therefore, a carrier must consider Verizon's PVU factor, along with the carrier's own VoIP usage, in order to identify and correctly rate VoIP-PSTN traffic exchanged with Verizon.

## EXHIBIT A

CARRIER NAME	State	VOIP %
PAETEC	AL	
PAETEC	AZ	
PAETEC	CA	
PAETEC	CO	
PAETEC	CT	
PAETEC	DC	
PAETEC	DE	
PAETEC	FL	
PAETEC	GA	
PAETEC	IA	
PAETEC	ID	
PAETEC	IL	
PAETEC	IN	
PAETEC	KY	
PAETEC	LA	
PAETEC	MA	
PAETEC	MD	
PAETEC	MI	
PAETEC	MN	
PAETEC	MO	
PAETEC	MS	
PAETEC	MT	
PAETEC	NC	
PAETEC	ND	
PAETEC	NE	
PAETEC	NH	
PAETEC	NJ	
PAETEC	NM	
PAETEC	NY	
PAETEC	OH	
PAETEC	OR	
PAETEC	PA	
PAETEC	RI	
PAETEC	SC	
PAETEC	SD	
PAETEC	TN	
PAETEC	TX	
PAETEC	UT	
PAETEC	VA	
PAETEC	WA	
PAETEC	WI	
PAETEC	WY	

CERTIFICATE OF SERVICE

I hereby certify that on this 19<sup>th</sup> day of March, 2012, a copy of the foregoing Comments (redacted) was served by mail on the following parties:

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Christopher M. Miller  
Elaine Critides  
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Arlington, VA 22201-2909

Steven D. Long  
/s/ Steven D. Long